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FOR IMMEDIATE RELEASE

OCTOBER 21, 1986

The Newark Collaboration Group (NCG), dedicated to the revitalization of the city, announced yesterday that \$35 million was being made available for 600 new and rehabilitated housing units.

This is the first of 29 strategies to be implemented under NCG's recently issued "City Life" plan.

The group said that it had inspired the creation of the Newark Housing Partnership, which includes major financial institutions and public and private organizations, to help meet the city's need for up-to-date housing. The partnership will finance rehabilitation of vacant single family or multi-family buildings or construction of new units. A major goal is for at least 20 percent of the housing to be affordable to low- and moderate-income families.

NCG has selected eight neighborhoods as "first tier" target areas. Proposals for properties in these areas will receive priority consideration.

Commitments for financial support have been made by the Carteret Savings Bank, the City of Newark, Neighborhood Housing Services of America, Inc., New Jersey Department of Community Affairs, New Jersey Housing and Mortgage Finance Agency and The Prudential Insurance Company.

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Mayor Sharpe James of Newark said he was "excited" about the program. "It will mean 600 new units of housing in a city where decent, safe, sanitary residential units are a priority need," he said. "The Newark Housing Partnership has my full support for its efforts to develop our neighborhoods."

The Housing Partnership has these funds available:

1. \$20 million in permanent financing at terms consistent with FNMA and Freddie Mac rates is being offered through participating lending institutions.
2. \$8 million from the New Jersey Housing and Mortgage Finance Agency to provide permanent mortgages at 8.8 percent for thirty years for borrowers with at least 5 percent down and closing costs and a maximum annual income of \$45,000.
3. \$4 million from the Prudential Insurance Company for borrowers needing financing to own and occupy 1 to 8 family units. The Prudential will provide below-market fixed-rate mortgages of up to 25 years through Neighborhood Housing Services of America.
4. \$3 million in construction loans from financial institutions at floating prime rate, on a per project basis to all for-profit developers who meet conventional underwriting standards, and non-profit developers having a construction specialist on staff and the experience necessary to handle a project.

5. Up to \$200,000 in grants from the Housing Demonstration Fund of the New Jersey Department of Community Affairs and private sources to help non-profit organizations plan housing projects that will result in financing from the Newark Housing Partnership.
6. Balanced Housing Program funds from the New Jersey Department of Community Affairs to subsidize the cost of construction if it exceeds the market value of the completed property. Units benefitting from this subsidy must be affordable to low- and moderate-income families.

In pledging the support of the Department of Community Affairs, Commissioner Leonard S. Coleman, Jr. said, "We are pleased to join forces with public and private sector partners in addressing the housing needs of Newark. We are especially pleased to be able to provide the opportunity for non-profit organizations to participate in the development of their communities."

Alex Plinio, chairman of the Newark Collaboration Group and Vice President for Public Affairs at the Prudential Insurance Company, said: "This is an exciting start to the realization of the strategic initiatives proposed by the Newark Collaboration Group. The response from the governmental and financial institutions has been gratifying. We expect to generate this kind of response to the other 28 initiatives, so that real progress can be seen in Newark over the next few years."